

July 17, 2017

Chairman Ajit Pai
Commissioner Mignon Clyburn
Commissioner Michael O’Rielly
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: Restoring Internet Freedom (WC Docket No. 17-108)

Dear Chairman Pai and Commissioners:

The National Grange is pleased to offer the following comments in support of the Federal Communications Commission’s Notice of Proposed Rulemaking on Restoring Internet Freedom.

For 150 years, the National Grange has worked to ensure that all communities directly benefit from the latest advances in communications technologies. We have consistently supported Commission efforts to promote better high-speed internet access for all Americans, regardless of location.

For these reasons, we urge the Commission to review the findings of a December 2016 Congressional Research Service (CRS) paper, which states, “[T]he rate of broadband deployment in urban areas appears to be outpacing deployment in rural areas.” CRS’s paper based this statement on “recent surveys and studies [which] have indicated that, in general, rural areas tend to lag behind urban and suburban areas in broadband deployment.”¹ The FCC’s 2016 Broadband Progress Report finds that 39 percent of rural Americans (23 million people) lack access to 25 Mbps/3 Mbps” while “only 4 percent of urban Americans lack access to 25 Mbps/3 Mbps broadband.”²

I. Title II’s problems for rural communities

In 2014, the National Grange and other rural advocates explained to the Commission that reclassifying high-speed internet service as a utility service under Title II of the 1934 Communications Act would cause significant problems for rural communities. We warned that putting the internet under outdated rules would raise deployment costs and, as a result, slow the spread of high-speed internet service in rural areas. Further, we stressed how residents in these communities would be disadvantaged by this FCC interference.

¹ Congressional Research Service, “Broadband Internet Access and the Digital Divide: Federal Assistance Program,” December 28, 2016, <https://fas.org/sgp/crs/misc/RL30719.pdf>.

² Federal Communications Commission, 2016 Broadband Progress Report, January 29, 2016, <https://www.fcc.gov/reports-research/reports/broadband-progress-reports/2016-broadband-progress-report>

Unfortunately, in 2015, a 3-2 majority of the Commission disregarded our concerns and voted to approve these expensive and complicated rules. What has transpired in the two years since that vote makes clear that Title II internet regulation is curbing both high-speed internet deployment and choice in rural and small town America.

Since the passage of those rules, the U.S. has seen the first decline ever in broadband investment outside of a recession.³ Today, broadband investment has decreased by \$2.5 billion than it was in the year before the Commission approved the Title II regulations.⁴ These facts are deeply concerning for those of us who recognize the need to expand broadband service in small towns and communities. The Commission's 2015 vote has hit particularly hard on smaller ISPs in difficult-to-reach areas because these providers do not have the extensive resources required to ensure Title II compliance.

Evidence of Title II's harm to rural communities emerged within weeks of the Commission's vote in many states and communities that our National Grange members call home. As Chairman Pai documented on May 7, 2015, ISPs serving predominantly rural and underserved communities in Indiana, Arkansas, southwest Virginia, Washington State, northern Illinois and Missouri all curbed plans to expand high-speed internet deployment. Each of these ISPs informed the FCC under penalty of perjury that their decisions stemmed from Title II's costs and many legal uncertainties.⁵

A few months later, an Ohio ISP serving rural communities testified to Congress that the Title II rules do "such a poor job of defining what the FCC actually intends that many years of expensive litigation will result before we know exactly what the FCC costs are going to be."^{6,7} In 2016, the president of an ISP serving rural areas in Arkansas testified to Congress that before the FCC's 2015 action, her company had planned to triple its customer base with fixed wireless service. But it had to scale back that deployment because of Title II's high costs and legal risks.⁸

Moreover, the harm from the Commission's Title II vote is not confined to lower investment and slower deployment. As Chairman Pai noted last April, the Commission's

³ Amir Nasr, Morning Consult, "Pai: Rolling Back Net Neutrality Rules Will Lay Groundwork for 5G Networks," February 28, 2017, <https://morningconsult.com/2017/02/28/pai-rolling-back-net-neutrality-rules-will-lay-groundwork-5g-networks/>.

⁴ USTelecom, "Broadband Investment Heads in the Wrong Direction," May 5, 2017, <https://www.ustelecom.org/blog/broadband-investment-heads-wrong-direction>

⁵ Federal Communications Commission, "Statement Of FCC Commissioner Ajit Pai On New Evidence That President Obama's Plan To Regulate The Internet Harms Small Businesses And Rural Broadband Deployment," May 7, 2015, https://apps.fcc.gov/edocs_public/attachmatch/DOC-333383A1.pdf.

⁶ Amplex Internet, "The Amplex Internet Story," accessed June 15, 2017, <http://www.amplex.net/our-story/>.

⁷ House Energy and Commerce Committee, "Common Carrier Regulation of the Internet: Investment Impacts," October 27, 2015, <https://energycommerce.house.gov/hearings-and-votes/hearings/common-carrier-regulation-internet-investment-impacts>.

⁸ L. Elizabeth Bowles, "A Legislative Hearing on Four Communications Bills," January 12, 2016, <http://docs.house.gov/meetings/IF/IF16/20160112/104317/HHRG-114-IF16-Wstate-BowlesE-20160112-U1.pdf>.

vote also caused a huge number of job losses – between 75,000 and 100,000 lost jobs based on \$5 billion in lost investment, according to one study.⁹

II. The right way forward: the Commission’s traditional “light touch” regulation of the internet

A person’s ability to access quality internet service should not be determined solely by the zip code in which they live. To promote better internet deployment in rural communities, the National Grange has been a consistent supporter of the Commission’s almost 20-year tradition of bipartisan “light touch” rules that promote rural internet deployment and investment into our small town infrastructure and networks.

The National Grange supports the Commission’s efforts to implement meaningful online protections for internet users, but we advocate that this can be best done without Title II’s excessive cost and uncertainty. As a recent letter to the Commission from nearly three dozen rural ISPs noted, such an approach would mean “clear, unequivocal net neutrality protections for consumers; and equally clear, unequivocal regulatory certainty for companies working to bring broadband’s benefits to everyone.”¹⁰

For rural communities, there will be many benefits from such a policy, starting with the benefits that come from greater internet deployment. Residents in rural communities have a vital need for quality high-speed internet access and the services this access makes possible. For example, internet-based applications are increasingly necessary to help farmers increase crop yields. Information technology fueled by instant broadband access can provide instant information and projections on growing conditions, crop status, future growth predictions, and the need for seeding, and fertilizer. A recent six-month study suggests that so-called “precision agriculture” can improve overall crop productivity by 15%.¹¹

In many rural communities, access to healthcare service can be difficult, particularly if a hospital or doctor’s office is a long distance away and roads are not clear.¹² This is driving adoption of home-based internet medical services that monitor vital signs and other medical issues. For those that may live a far distance from a hospital or needed specialist, these new services allow them to continue to live in their rural or small town without having to sacrifice quality care. But these services require that people have

⁹ Ajit Pai, Federal Communications Commission, “The Future of Internet Freedom,” April 26, 2017, https://apps.fcc.gov/edocs_public/attachmatch/DOC-344590A1.pdf.

¹⁰ USTelecom, “Letter to Chairman Ajit Pai,” May 4, 2017, <https://www.ustelecom.org/sites/default/files/documents/USTelecom%20Letter%20to%20Chairman%20Pai.pdf>.

¹¹ Kurt Marko, Forbes, “Precision Agriculture Eats Data, CPU Cycles: It’s A Perfect Fit For Cloud Services,” August 25, 2015, <https://www.forbes.com/sites/kurtmarko/2015/08/25/precision-ag-cloud/#2e0df0c4f782>.

¹² Jennifer Levitz, The Wall Street Journal, “Communities Struggle to Care for Elderly, Alone at Home,” Wall Street Journal, September 25, 2015, <https://www.wsj.com/articles/communities-struggle-to-care-for-elderly-alone-at-home-1443193481>.

adequate home broadband, which comes from regulation that doesn't have Title II's cost and complexity.

This same dynamic affects efforts to expand distance education in rural communities. Nearly 8.9 million students attend rural schools according to the 2017 education report, "Why Rural Matters."¹³ The report notes that this is more than the enrollments of the New York City, Los Angeles, Chicago and the next 75 largest school districts combined.

High-speed internet service plays a major role in helping rural school districts with issues such as funding disparities and retention of quality teachers. It also helps them access online classes and distance learning opportunities that help ensure students are prepared to go to college or join the workforce after graduation. As with online healthcare, this goal can be best achieved through an improved federal policy that encourages and facilitates internet deployment.

Finally, the National Grange agrees with the Commission's recent effort to accelerate internet deployment by reducing regulatory barriers to broadband investment. The new Broadband Deployment Advisory Committee is the sort of commonsense, bipartisan idea that characterized FCC broadband policy prior to 2015. The National Grange is pleased to be represented on this Committee and is ready to work to identify ways to modernize rules governing permitting, zoning, franchising and other areas that have sometimes unreasonably hindered broadband deployment.

Outdated Title II regulations have slowed the process of bringing the internet's benefits to consumers, especially in rural and underserved areas. We encourage the Commission to return to the traditional "light touch" rules that successfully protected internet users' online rights while also encouraging build-out of the better, more accessible broadband.

Sincerely,

Betsy Huber
President, The National Grange

¹³ The Rural School and Community Trust, "Why Rural Matters," June 13, 2017, <http://www.ruraledu.org/articles.php?id=3297>.